

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
SOUTHERN DIVISION
No. 7:11-cv-228-BO**

MARK HENDRICKS, Individually And On
Behalf Of All Others Similarly Situated,

Plaintiff,

v.

PHARMACEUTICAL PRODUCT
DEVELOPMENT, INC., FREDERIC N.
ESHELMAN, RAYMOND H. HILL, ERNEST
MARIO, STUART BONDURANT,
FREDERICK FRANK, TERRY MAGNUSON,
VAUGHN D. BRYSON, ROBERT
ALEXANDER INGRAM, RALPH
SNYDERMAN, JAGUAR HOLDINGS, LLC,
THE CARLYLE GROUP, HELLMAN &
FRIEDMAN LLC, and JAGUAR MERGER
SUB, INC.,

Defendants.

**JOINT NOTICE OF MEMORANDUM OF UNDERSTANDING AND
CONSENT MOTION TO STAY PROCEEDINGS**

Plaintiff Mark Hendricks (“Plaintiff”) and Defendants Pharmaceutical Product Development, Inc. (“PPD”), Frederic N. Eshelman, Raymond H. Hill, Ernest Mario, Stuart Bondurant, Frederick Frank, Terry Magnuson, Vaughn D. Bryson, Robert Alexander Ingram, Ralph Snyderman, Jaguar Holdings, LLC, The Carlyle Group, Hellman & Friedman LLC, and Jaguar Merger Sub, Inc. (collectively with PPD, “Defendants”) hereby give notice that they have entered into a Memorandum of Understanding (“MOU”) setting forth the preliminary terms of a settlement of the above-captioned action and three (3) related state court actions (the “state court

actions”), subject to various conditions. A copy of the MOU is attached as Exhibit 1 hereto.

Pursuant to the MOU, the parties to this case and the state court actions have tentatively reached settlement on the issues in this case, to be approved by the North Carolina Business Court.

Accordingly, based on comity, judicial efficiency, and the strong public policy favoring settlements, Plaintiff and Defendants file this Consent Motion to Stay the Proceedings in the above-captioned action pending final approval of the settlement in the North Carolina Business Court. In support of this Motion, Plaintiff and Defendants hereby state the following:

1. Plaintiff and Defendants entered into the MOU on November 3, 2011.
2. Also parties to the MOU are the plaintiffs in the state court actions, which are captioned as follows: (1) *Coyne v. Pharmaceutical Product Development, Inc.*, (2) *Goodman v. Eshelman*, and (3) *Litwin v. Eshelman*. All of the state court actions are pending before the North Carolina Business Court.
3. Under the terms of the MOU, Plaintiff, Defendants, and the remaining parties to the state court actions have tentatively reached settlement on the issues in this case.
4. The North Carolina Business Court was informed of and received a copy of the MOU on November 4, 2011.
5. Among other things, the MOU states:
 - a. Counsel for Plaintiff and the plaintiffs in the state court actions reviewed internal, non-public documents from PPD, including PPD Board minutes and presentations made to PPD by PPD’s financial advisors. Exh. 1 at 4.
 - b. Counsel for the parties have engaged in arm’s-length discussions and negotiations concerning a possible settlement of the above-captioned case, as well as the state court actions. *Id.*

c. The parties have reached an agreement in principle concerning the proposed settlement of the cases. *Id.*

d. In consideration for the full settlement and release of claims, PPD will make the disclosures identified in Exhibit A to the MOU. *Id.* ¶1.

e. Counsel for Plaintiff has concluded that the terms contained in the MOU are fair and adequate to Plaintiff and PPD stockholders and that it is reasonable to pursue a settlement based upon the terms and procedures outlined therein. *Id.* at 5; ¶5(d).

f. The settlement as set forth in the MOU shall be subject to the approval of the North Carolina Business Court. *Id.* ¶10.

g. The above-captioned action shall be dismissed with prejudice within five (5) business days of the North Carolina Business Court's final approval of settlement. *Id.* ¶14.

6. The MOU provides that the North Carolina Business Court shall oversee the global settlement as set forth in the MOU.

7. Public policy strongly supports the compromise and settlement of disputed claims. It would be a waste of party and judicial resources to continue the proceedings in the actions in this case under these circumstances. Accordingly, Plaintiff and Defendants respectfully request a stay of any proceedings in this case until the North Carolina Business Court has approved the settlement as set forth in the MOU.

8. This Court has the inherent power to stay the proceedings in this case pending final approval of the settlement by the North Carolina Business Court. Landis v. N. Am. Co., 299 U.S. 248, 254 (1936) (holding that a district court's power to stay proceedings "is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, counsel, and for litigants.")).

9. The requested stay would not prejudice any party in this action.

WHEREFORE, for the reasons set forth above, Plaintiff and Defendants respectfully request that the Court enter an Order staying the proceedings in this case until the settlement as set forth in the MOU has been approved by the North Carolina Business Court.

Respectfully submitted,

Dated: October 21, 2011

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